24 December 1975

MEMORANDUM FOR: Mr. Dirks
                 Mr. Donnalley
                 Mr. Taylor
                 Mr. Wells

Herewith the overview section of the
Intelligence Decision Book taken by the President
to Vail. You will note that our labors of the
summer were not totally in vain.

STAT

RICHARD LEHMAN

PRINCIPLES AND POLICY

> The purpose of this chapter is to assist you in developing goals and principles concerning the Intelligence Community. They will provide direction for the Community and serve as "guideposts" as you make your decisions on the issues which follow. This chapter focuses on:
>
> * The need for charters to increase accountability which is necessary to restore public confidence in the Intelligence Community.
>
> * The need to clarify the relationship between the Congress and the Executive.
>
> * The need to clarify relationships within the Executive Branch.

A. INTRODUCTION

The focus of all investigations of the Intelligence Community (principally by the House and Senate Select Committees) has been on abuses, domestic and foreign. On the other hand, other recent studies have addressed the problem of improving the organization and management of the Community. Certain consumers of intelligence have focused on the need to improve product quality and to meet emerging needs in non-Defense areas, such as economic intelligence. And, finally, critics outside the Administration and Community leaders have recognized the need to improve protection of secrecy and, at the same time, to provide for wider dissemination of intelligence product to those who have a need to know.

Goals

The current attention focused on the Community provides you with the opportunity to deal with these issues. In reaching decisions on the more detailed issues, there are five goals which you may wish to adopt:

- Abuses should be eliminated and this must be clearly understood by the Congress and the public.

- The organization and management of the Community should be improved.

- The quality of the intelligence product should be improved.

- Secrecy, including sources and methods, should be protected, consistent with necessary dissemination of the Community's product to policy officials.

- Establish more effective relations with Congress involving the Intelligence Community.

To achieve these five goals, you must restore public confidence in the Community, its legitimacy and its adherence to the law. Unless this confidence is restored, the soundest decisions will never result in achievement of these goals.

The decisions necessary to achieve these goals should, if possible, be taken comprehensively and at the same time. Steps to achieve one goal will necessarily have an impact on another. For example, decisions on organization and management will necessarily affect quality. Preventing abuses

through excessive restriction of Community collection
activities may lead to a demoralized and ineffective Community,
thus reducing the quality of the product and of the people
attracted to the Community. Lack of concern for protection
of secrecy sources and methods could severely damage the
continuing effectiveness of the Community.

Problems

The analysis of ways to achieve these five goals has
shown that there are three underlying problems which must
be solved. The first of these is the lack of adequate
charters for the key agencies that make up the Community.
This lack has made it possible to criticize the Community
for actions taken in the past that were consistent with the
needs of the time, but that are not acceptable today.
Further, there have been ambiguities and imprecision in the
role and functions of certain elements of the Community, as
pointed out by the Rockefeller Commission. And lastly,
because neither the National Security Agency nor the Defense
Intelligence Agency has been created by statute, critics
have been able to impugn their legitimacy. Restoration of
public confidence in the Community may require a more explicit
charter, and particularly a set of restrictions on the
Community to eliminate and prevent abuses.

The second fundamental problem has been the relationship
between Congress and the Executive. This relationship has

gone undefined throughout history, and the recent House and Senate intelligence investigations have strained relations between Congress and the Executive. Congress has asserted a need for more information to be able to judge our foreign policy, but that need must be balanced with the need of the Executive to conduct that foreign policy without necessary or damaging restrictions.

The third underlying problem is the ambiguous relationship among intelligence officials and agencies within the Executive Branch, particularly between the Department of Defense and the Director of Central Intelligence. In 1971, the DCI was designated the leader of the Community by Presidential Directive, but many argue that he was not given the tools to do that job. The need to deal with the first two problems makes this a propitious time to take another look at that relationship and to decide to what degree management and organizational changes are desirable. This is an historic opportunity to make changes that probably would be impossible in normal times.

Strategy

. In dealing with these three underlying problems, there are certain questions of strategy which must also be addressed. One is the degree of public discussion and attention which you should give these issues and these changes. Another is the appropriate strategy with respect to Congress and the form your decisions should take: new

legislation, new Executive Orders, classified instructions to the Community, public statements, or combinations of all four. These issues will be dealt with in more detail after you have the substantive decisions.

B. THE NEED FOR A CHARTER

In discussing the charter of the Intelligence Community, there is a need to distinguish between two very different activities, policy-making and providing information and services.

If one views the CIA and the Intelligence Community as primarily policy-making organizations, ways would have to be found to increase the participation by the heads of intelligence organizations in major policy decisions.

However, this will probably be characterized by some members of Congress and the Press as having unfortunate consequences. However, the other side of this argument is that the intelligence agencies are and should remain service agencies, and their role of providing intelligence should not be tainted or biased toward attempting to make their bosses' policies come true.

The lack of a charter for specific components of the Intelligence Community (such as the NSA and the DIA) and the lack of a detailed charter for the CIA, have led to ambiguities and unclear guidelines.

In dealing with the broad question of the Community's charter, two subsidiary policy questions can be posed:

ISSUE: <u>Should the charter of the Community institute</u>

<u>greater accountability?</u>

A key concept running through the analysis to

date is the degree of accountability in the Community --

accountability to the President, to statutes, to the

Constitution. Accountability is at the heart of the

question of achieving the overriding objective of improving

public confidence. The most obvious aspect of accounta-

bility is raised by covert actions, but the concept applies

to all functions of the Community and its management.

OPTIONS:

1. <u>Visibly increase the accountability within the</u>

   <u>Executive</u> by streamlining the chain of command

   to insure that specifically identified individuals

   are responsible for specifically defined Intelli-

   gence Community actions. This will help prevent

   abuses and encourage efficiency and excellence in

   performance. (For example, decisions concerning

   electronic surveillance are made throughout the

   Community and it is difficult to fix responsibility.)

2. <u>Do not move toward greater accountability since
    the existing mechanisms</u> (including NSC/40
    Committee structure) can be improved sufficiently.

    Much of the criticism of the approval of covert
    actions has centered on a few examples which
    were not in fact in any way the result of in-
    adequate approval mechanism or staff work.

    Even if the present system were scrapped, some-
    thing similar would have to replace it. Some
    changes could and should be made administratively,
    but they need not alter the present system and
    we should oppose attempts on the part of Congress
    to repeal the flexibility given under the
    National Security Act of 1947.

The following charts demonstrate the complex relationships
in the Intelligence Community and diffusion of accountability.

ISSUE: Do the Community's statutory and administrative charters adequately deal with covert action?

This is currently one of the most controversial aspects of the Community's operations. A great deal of information has come to light on the Community's covert operations. You have addressed several aspects of them as they have emerged through your creation of the Rockefeller Commission, your public response to its Report, comments on the Assassination Report, etc.

You have defined your position on this issue in public statements. You are following two principles concerning covert actions:

First, they are necessary in the national interest and therefore should not be prohibited across-the-board by statute or Executive action; and,

Second, there have been abuses in the past (e.g., assassination planning) and you have stopped abuses and will prevent them from occurring in the future by Executive Order.

C. THE NEED TO CLARIFY THE CONGRESS – EXECUTIVE RELATIONSHIP

ISSUE: Should any new charter for the Intelligence Community be primarily statutory or administrative?

The lack of a statutory charter for specific components of the Intelligence Community (such as the NSA

and the DIA), except CIA's very vague charter in the
National Security Act of 1947, have led to difficulties
between Congress and the Executive. The prime reason for
seeking a new charter for elements of the Community would
be to assist in eliminating and preventing abuses. Many
argue that this is needed to rebuild public confidence in
the Intelligence Community. The present charter does not
adequately deal with the reporting relationship to Congress.
Further, Congressional oversight is now an issue. The
effect of this has been a perceived lack of accountability
to Congress.

OPTIONS:

1. <u>Arguments why the charter should be primarily
statutory</u>:

   — The Constitution requires Executive action
   to be based on statute in most areas of
   government.

   — Congress is bent on exercising its will and
   therefore will want to write new laws.

   — A statute is more permanent and thus the
   Community could better predict the standards
   by which it will be judged.

   — In the nature of things Congressional attempts
   to write a charter will essentially focus on
   past abuses.

-- If you propose a statutory charter for the
Community, you show initiative in dealing
with the problem.

-- In writing legislation (as opposed to the
Select Committees' investigations) the necessity
for a "general" charter will be recognized.

2. Arguments why the charter should be primarily
administrative (a series of Executive Orders and
guidelines by agency heads, supplementing minimal
modification of existing legislation).

- Under the Constitution, foreign policy and thus
foreign intelligence, is an Executive responsibility.

-- The Community has had a mixed statutory and
administrative charter for the last 30 years and
it has worked well.

- It is impossible to foresee all of the actions
that will be necessary, and relying on detailed
legislative authority for authorization is risky;
the President must maintain flexibility to operate
in foreign affairs without detailed restrictions
from Congress.

-- The public will receive some assurance from the
mixed charter, though perhaps not as great as
from a statutory charter, depending in part on
the firmness and perceived intent of the
Presidential statement. (If your intent is

activities and to gain control over it,

then the public will be less concerned by

the form of the charter.)

ISSUE: Should a new Congressional-Executive relationship

provide for greater Executive Branch accountability

to Congress?

OPTIONS:

1. All efforts of Congress to institute new forms of

accountability should be opposed since foreign policy

and intelligence is essentially an Executive Branch

matter.

- Exclusive Presidential authority over intelligence

is a plausible though controversial interpretation

of the Constitution.

- With increased accountability to Congress will

necessarily come greater Congressional control

and interference.

- Whatever merits of this position, it is doubtful

that it can be maintained for long, given the

degree of public and Congressional concern over

Community abuses.

2. The Executive Branch should be more accountable to

Congress, and this should be defined through negotia-

tions between the Branches. (This may be the Hughes

Amendment requiring reporting of covert actions,

I-11

supplemented by some approval on specific actions,
budget approvals, etc.)

- We have already crossed the bridge of Congressional
  involvement in intelligence matters, and it will
  be difficult to exclude Congress in the future,
  particularly on covert actions.

- The traditional oversight mechanisms are no
  longer valid (because of the collapse of
  Congressional leadership) and the Executive
  must take the lead in working out new arrangements.

- Congressional oversight is in fact not likely in
  the long run to prove onerous, since attention of
  Congress will tend to flag as these things
  become more routine.

- Nonetheless, there will always be a countervailing
  pressure of individual Congressmen to release
  information gathered, thus frustrating the
  intent of the Executive. Also, the leaks which
  have occurred from the Select Committees on
  Intelligence at the very least raise a strong
  presumption that sensitive national security
  information is compromised once given to Congress.

- The Angola matter demonstrates that the present
  system is inadequate. You do not have sufficient
  support to gain approval of your positions in
  Congress.

D.   THE NEED TO CLARIFY RELATIONSHIPS WITHIN THE EXECUTIVE
     BRANCH

     Many of the key issues in the Organization and Management

section of this book, and in other studies, turn on the relation-

ship between the head of the Intelligence Community (now the

DCI) and the Secretary of Defense.   This relationship is key

because it affects:

    1)   the amount of "competition" in the analysis which

        produces intelligence;

    2)   where the balance is struck in allocating resources

        between "national" and "tactical" intelligence; and

    3)   the efficiency in collecting information and producing

        intelligence.

     There are some subtle problems which this relationship

raises.   For example, to the extent the DCI is viewed as an

adviser (and hence stripped of his managerial and/or policy-

making roles) his intelligence product is more credible because

he is not perceived as biased towards one institution.   However,

once he loses his institutional "base", he is likely to become

less effective in bureauc .ic struggles with the Defense and

other Departments and eventually could end up with very little,

if any, real control over the Intelligence Community.

     Another management variable which greatly impacts the

functioning of the Intelligence Community, is the process

of presenting intelligence to you and your senior advisers.

Here the role of the NSC and its staff is critical.   The DCI

has direct access to you, but the NSC and its staff are
involved in specifying requirements for studies and production,
managing the consumer/producer dialogue, approving (through
the 40 Committee) covert operations, and using the product
as a basis for its own evaluations and assessments. The
Assistant to the President for National Security Affairs is
a primary channel for intelligence to the President.

In making your Executive Branch organization and manage-
ment decisions, you may wish to use the following as guideposts:

(1)   There needs to be a strong and independent head of
       the Intelligence Community who is not so committed
       to one bureaucracy that he loses his objectivity.

(2)   The Community leader should have enough of an
       institutional "base" so as to maintain his indepen-
       dence vis-a-vis members of your Cabinet.

(3)   There should be "competition" in the production
       of intelligence, with good coordination between
       the agencies.

(4)   You should have direct access to an intelligence
       official who does not have major foreign affairs
       or defense policy responsibilities.

(5)   Any organizational changes should be designed
       to promote technological creativity, such as
       that which led to development of the U-2's and
       the Glomar Explorer.

To assist you in placing the above in context, the following charts are presented as examples of how information flows through the Intelligence Community.
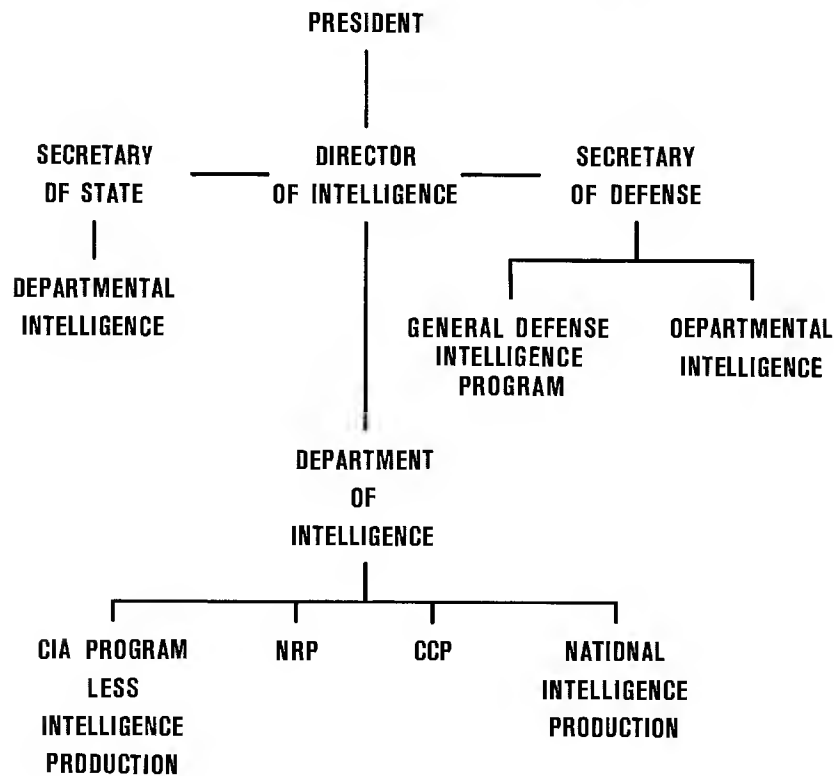
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OPTION I

FROM THE REPORT TO THE PRESIDENT
ON THE FOREIGN INTELLIGENCE COMMUNITY

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                                PRESIDENT
                                    |
                                    |
    SECRETARY  _____  DIRECTOR  _____  SECRETARY
    OF STATE               OF INTELLIGENCE           OF DEFENSE
        |                       |                        |
        |                       |              _____|_____
  DEPARTMENTAL                  |             |                     |
  INTELLIGENCE                  |      GENERAL DEFENSE        OEPARTMENTAL
                                |       INTELLIGENCE          INTELLIGENCE
                                |         PROGRAM
                            DEPARTMENT
                                OF
                           INTELLIGENCE
                                |
        _____|_____
       |            |            |                       |
  CIA  PROGRAM     NRP          CCP                  NATIONAL
     LESS                                          INTELLIGENCE
  INTELLIGENCE                                       PRODUCTION
   PRODUCTION
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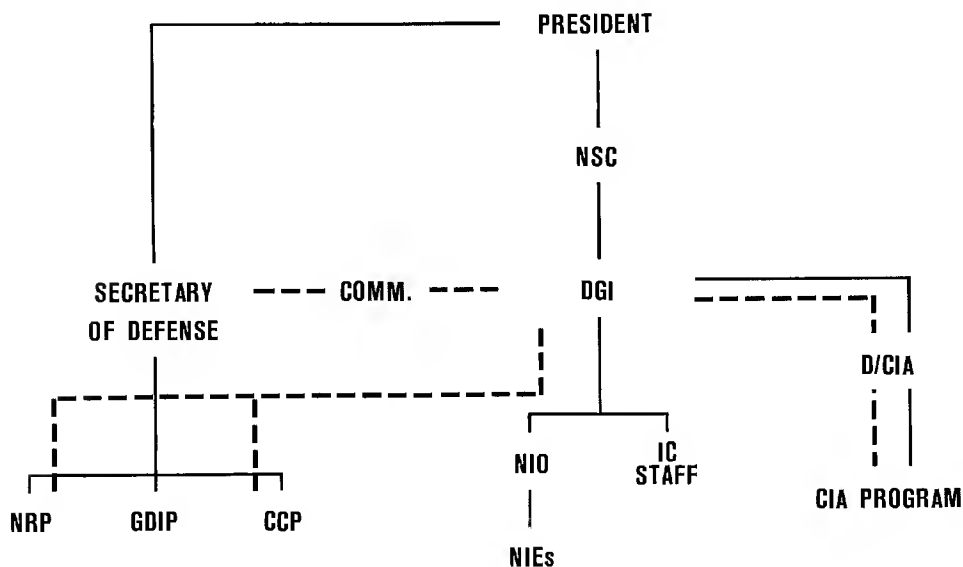
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OPTION II

FROM THE REPORT TO THE PRESIDENT
ON THE FOREIGN INTELLIGENCE COMMUNITY

PRESIDENT

NSC

SECRETARY OF DEFENSE --- COMM. --- DGI

D/CIA

NRP   GDIP   CCP

NIO   IC STAFF   CIA PROGRAM

NIEs

——— OPERATIONAL CONTROL
- - - CONSULTATION
- - - RESOURCE CONTROL
——— REPORTS TO NSC THROUGH DGI
—·—· RESPONSIBILITY FOR NIEs

OPTION IIA

PRESIDENT

NSC

SECRETARY OF DEFENSE --- COMM. --- DGI

D/CIA

NRP   GDIP   CCP

IC STAFF

NATIONAL INTELLIGENCE PRODUCTION

CIA PROGRAM LESS INTELLIGENCE PRODUCTION
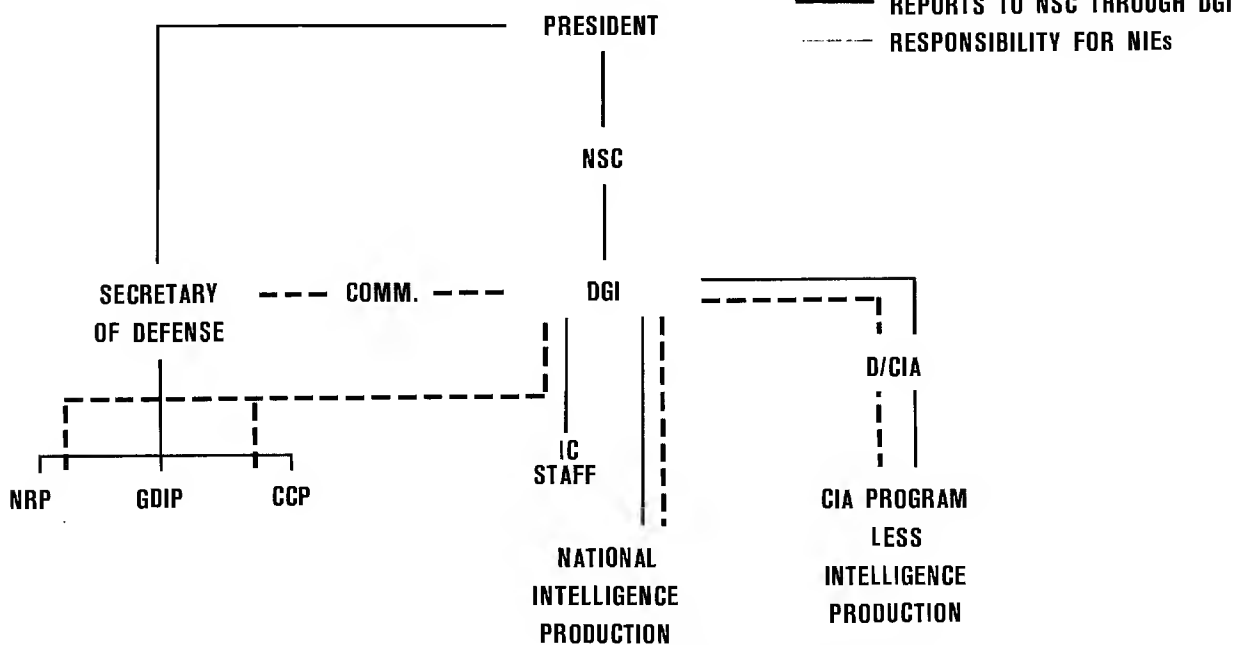
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OPTION III

FROM THE REPORT TO THE PRESIDENT
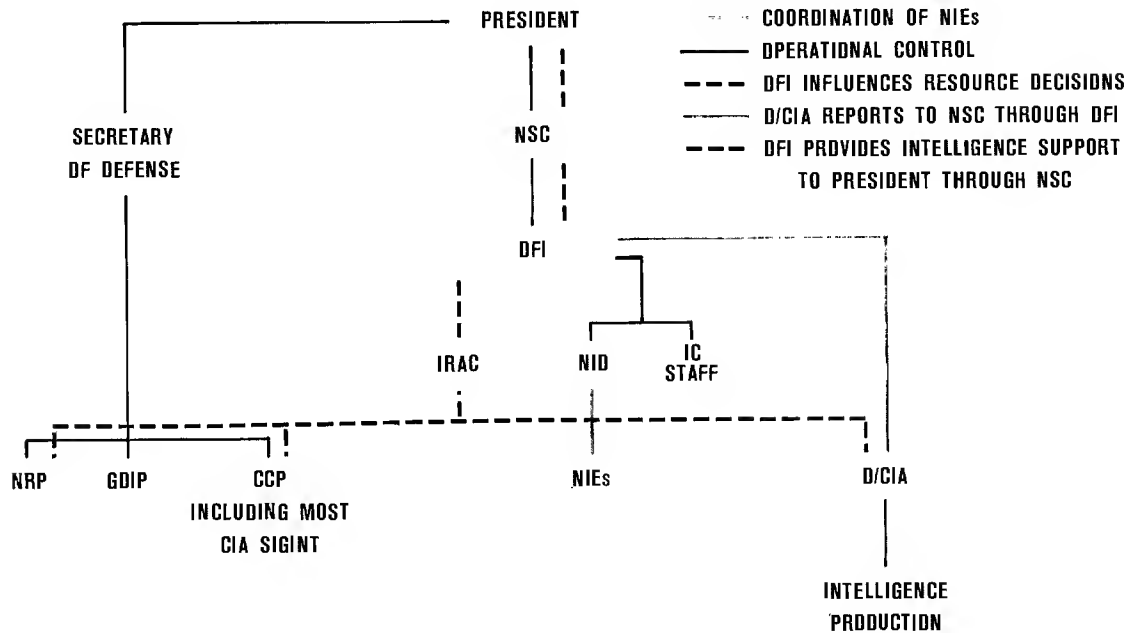## ON THE FOREIGN INTELLIGENCE COMMUNITY

PRESIDENT

- - - COORDINATION OF NIEs
——— OPERATIONAL CONTROL
- - - DFI INFLUENCES RESOURCE DECISIONS
——— D/CIA REPORTS TO NSC THROUGH DFI
- - - DFI PROVIDES INTELLIGENCE SUPPORT
TO PRESIDENT THROUGH NSC

SECRETARY
OF DEFENSE

NSC

DFI

IRAC

NID

IC
STAFF

NRP   GDIP   CCP
INCLUDING MOST
CIA SIGINT

NIEs

D/CIA

INTELLIGENCE
PRODUCTION

OPTION IIIA

PRESIDENT

SECRETARY
OF STATE

SECRETARY
OF DEFENSE

NSC

INTELLIGENCE
PRODUCTION
PLUS CIA
PRODUCTION
ELEMENTS

DFI

IRAC

NIO

IC
STAFF

INTELLIGENCE
PRODUCTION
PLUS CIA
PRODUCTION
ELEMENTS

NRP   CCP
INCLUDING MOST
CIA SIGINT

NIEs

D/CIA
MINUS
PRODUCTION
ELEMENTS

TOP SECRET SENSITIVE
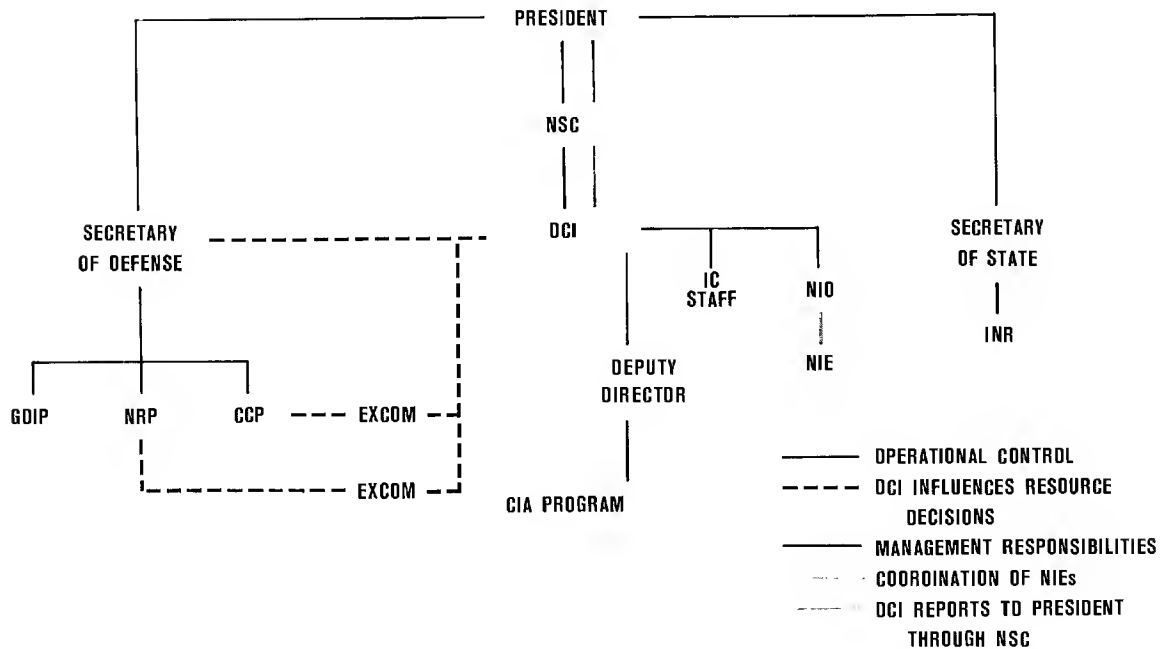
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OPTION IV

FROM THE REPORT TO THE PRESIDENT
ON THE FOREIGN INTELLIGENCE COMMUNITY

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                          PRESIDENT
                             │ │
                            NSC
                             │ │
                            DCI              SECRETARY
SECRETARY  ───────────────   │      IC    NIO    OF STATE
OF OEFENSE                    │     STAFF             │
                           DEPUTY          NIE       INR
                          DIRECTOR
GDIP   NRP   CCP  ─ ─ ─ EXCOM
                             │
             ─ ─ ─ ─ ─ ─ EXCOM
                          CIA PROGRAM
```
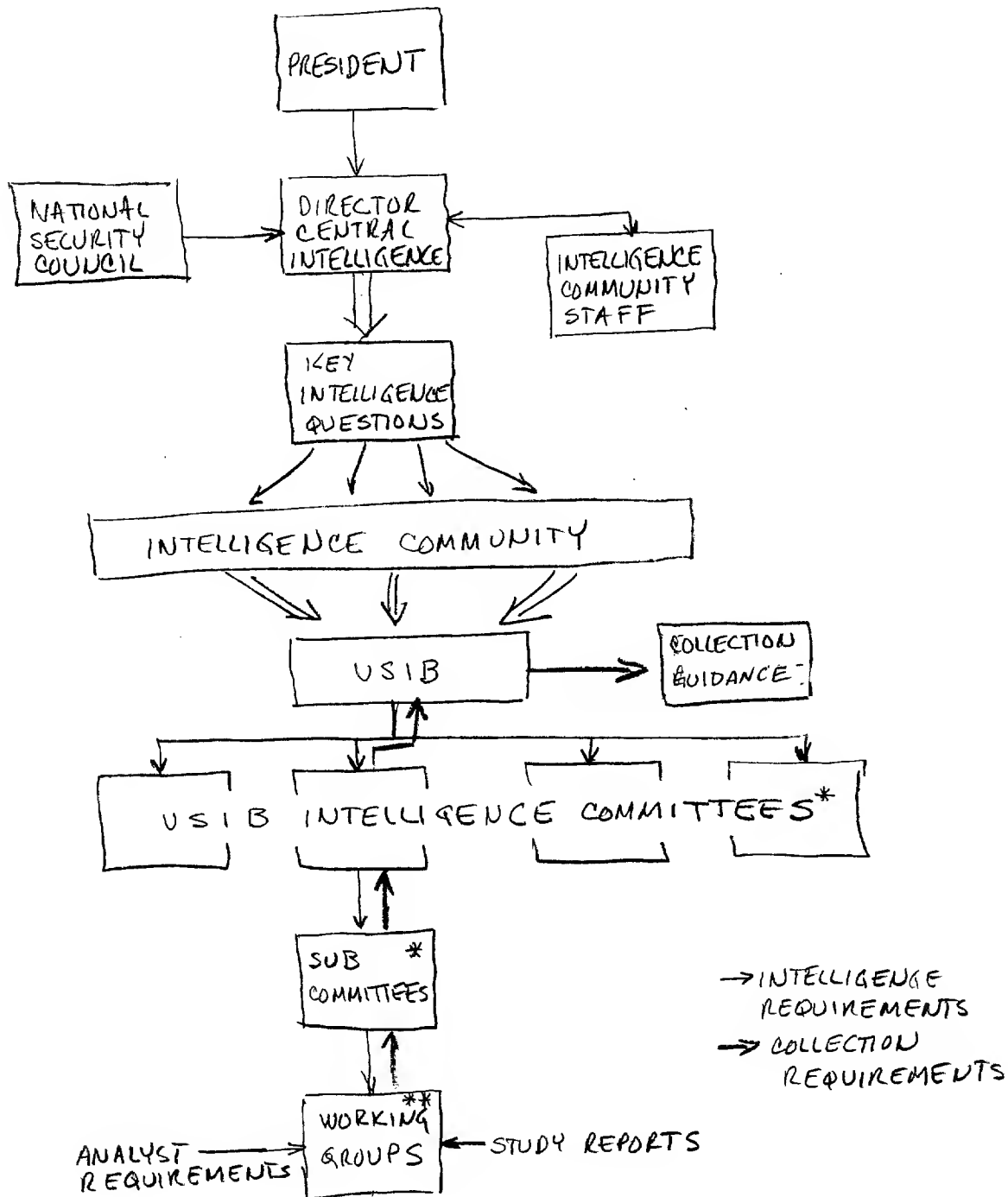
───────── OPERATIONAL CONTROL
─ ─ ─ ─ ─ DCI INFLUENCES RESOURCE
           DECISIONS
───────── MANAGEMENT RESPONSIBILITIES
─── · COOROINATION OF NIEs
─── ··· DCI REPORTS TO PRESIDENT
           THROUGH NSC

TOP SECRET SENSITIVE
596197

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ORIGIN OF REQUIREMENTS

PRESIDENT

NATIONAL SECURITY COUNCIL → DIRECTOR CENTRAL INTELLIGENCE ← INTELLIGENCE COMMUNITY STAFF

KEY INTELLIGENCE QUESTIONS

INTELLIGENCE COMMUNITY

USIB → COLLECTION GUIDANCE

USIB INTELLIGENCE COMMITTEES*

SUB COMMITTEES *

→ INTELLIGENCE REQUIREMENTS
⇒ COLLECTION REQUIREMENTS

ANALYST REQUIREMENTS → WORKING GROUPS ** ← STUDY REPORTS

* MEMBERSHIP USUALLY PARALLELS THAT OF USIB

** MEMBERSHIP DESIGNATED BY CHAIRMAN, APPROVED BY COMMITTEE

The intelligence data requirements which form the basis for large
collection systems originate at the USIB. The USIB, in turn, responds
to objectives levied upon it by the President or the National Security
Council, through the DCI. The objectives at this level take the form
of "Key Intelligence Questions for FY 197X," issued yearly by the DCI.
The Questions reflect, in greater detail, the Substantial Intelligence
Objectives submitted yearly to the President by the DCI.

The Key Intelligence Questions are distributed to the USIB member
organizations and serve as guides to each organization in establishing
goals and priorities. Of more importance here, they are used to define
requirements for data needed by each organization to accomplish its
analytical assignments. Because the Questions do not exhaust intelligence
needs in their totality, and because typically a variety of data types
(e.g., photo, SIGINT, COMINT) are required to answer a single question,
a mechanism has been established within the USIB to generate collection
requirements which couple departmental needs, lower priority intelligence
data requirements and which define specific data requirements. These
collection requirements are organized by data class, that is all COMINT
requirements are gathered into one collection requirement document, all
telemetry collection requirements in another document and so forth. The
organizations involved and the data flow are shown in the facing page.
In the case of SIGINT requirements, for example, the USIB committees
involved are the Signals Intelligence Committee (SIGINT), the
Guided Missiles and Astronautics Intelligence Committee (GMAIC) and

The Subcommittee for Overhead Reconnaissance Systems (SORS) of the SIGINT

Committee, which deals exclusively with overhead collection systems.

Using this mechanism, the USIB issues, on a yearly basis, a collection

guidance document which defines data types (i.e., communications

25X1

25X1

areas of coverage, accuracy of

data, quality and continuity of data required to satisfy the data needs

of the community. The collection requirements take into account the

processing necessary to convert the acquired data into useful intelligence

by each of the involved organizations.

25X1

25X1

This subcommittee, the SORS, mentioned

above, functions as a clearing-house for collection tasking and guidance

to available systems. It is also responsible for gathering future

requirements from the community and drafting the pertinent yearly USIB

guidance to the National Reconnaissance Program (NRP). Because, in general,

the procurement of overhead collection systems tend to be Very costly,

this paper will examine in some detail their genesis, review and approval

cycles. The process by which this is accomplished is shown in the

following pages.

Page Two

As indicated, the USIB prepares a collection requirements document which provides long range guidance for the NRP. This document is issued on a yearly basis.

The process by which the document is prepared, coordinated and approved by the USIB is shown in the a ccompanying chart. Using Overhead SIGINT systems as examples and focussing on requirements for data on Soviet missiles, the USIB commissions the Guided Missiles and Astronautics Intelligence Committee (GMAIC) and the Signals Intelligence Committee (SIGINT) to draft the 5 year collection guidance, ~ a working group with (within the SORS) representation from the USIB agencies is established and assigned responsibility for putting together an initial draft. The working group solicits data from each of the cognizant elements, conducting interviews and hearings as necessary. The finished initial draft is submitted to the SIGINT committee for approval.

The collection requirements draft, approved by the SIGINT membership, is then submitted to the USIB for approval (pending differences, if any, are also resolved). The approved document is forwarded to the Director, National Reconnaissance Office (DNRO) who uses it to prepare plans and budgets each year.

This yearly review by all organizations, while cumbersome, is a worthwhile and necessary endeavor. Among the principal benefits are:

EXPOSES
a) It surfaces completed or obsolete collection requirements, and changing priorities to reflect changing needs.

b) It forces a "forward look" to prevent intelligence gaps from building, and

c) perhaps most important, permits flexibility to cope with changes to collection requirements, posture, systems and processes which may be necessary due to:

1) target country operational changes - for example,

25X1

2) Target country technological advancements - for example, advanced telemetry systems, new missiles, etc.

3) Changing world political picture - for example, the

25X1

4) Changes in U.S. policy - for example, obtaining economic and drug traffic intelligence.

5) Competition for funds - caused by fixed budgets in an inflationary economy.

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